

[24 November, 2006]

RAJYA SABHA

(b) if so, the details thereof;

(c) the annual requirement and production of steel in the country with its own resources; and

(d) the steps Government are taking to increase the production of steel within the country?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) Import of finished (Carbon) steel has increased from 1.271 million tonnes in 2001-02 to 3.850 million tonnes in 2005-06.

(c) The domestic requirement for finished (Carbon) steel is reflected in the figures of apparent consumption. The production and apparent consumption of finished (Carbon) steel in the country during the last three years and the current year is given below:

(in million tonnes)

| Year | Production | Apparent Consumption |
|--|------------|----------------------|
| 2003-04 | 36.957 | 31.169 |
| 2004-05 | 40.055 | 34.389 |
| 2005-06 | 44.544 | 39.185 |
| 2006-07 (April-Sept.06) (Provisional) | 22.313 | 19.505 |

Source: Joint Plant Committee

(d) Entrepreneurs in the country are free to set up steel plants of the capacities of their choice based on their commercial judgements. Government of India is acting as a facilitator. The Government has taken several steps to increase the production of steel such as modernization and expansion of public sector steel plants and adoption of various policy measures to encourage creation of additional steel production capacity in the private sector.

Export of iron ore

396. SHRI VIJAY J. DARDA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that export of iron ore endangers the reserves in the country which are much lower than that of the Indian Bureau of Mines' estimate of 25 billion tonnes;

- (b) if so, whether Government would restrict the export of iron ore;
- (c) how many mines have been closed due to environmental reasons; and
- (d) whether Hoda Committee report has recommended captive mines for steel plants; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) Indian Bureau of Mines has estimated that as on 1.4.2005, total iron ore resources in the country are estimated at 25.25 billion tonnes. Out of this, reserves *i.e.* economically mineable resources are 7.21 billion tonnes. The remaining resources have not yet been established as economically minerable. Out of the total resources of 25.25 billion tonnes, 10.62 billion tonnes are magnetite and the remaining are haematite. A large part of magnetite resources are covered under the ban imposed by Hon'ble Supreme Court of India on environmental grounds. Iron ore exports have more than doubled during the last five years, while domestic consumption has grown only one and a half times. It is estimated that at this rate of growth of consumption and export, the entire resources will be exhausted before 2030.

(b) Government is examining the issue.

(c) Information is being collected from IBM.

(d) Yes, Sir. Brief of recommendations of Hoda Committee on allocation of captive mines to steel makers is at enclosed Statement.

Statement

Brief of Recommendations of Hoda Committee on Allocation of Captive Mines to Steel Makers

- Stand-alone mining and captive mining should continue to coexist in the country. In 2016-17 the position should be reviewed in light of the emerging situation of establishment of steel capacity in the country on the one hand and accretions to the level of iron ore resources in the country, on the other. A view can be taken at that time if the balance of advantage in grant of LAPL/PL/ML should be changed in favour of steel mills.

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- In a situation of multiple applications for grant of iron ore LAPL/PL/ ML the existing investment in steel plants which have exhausted their current captive mines should also be a consideration.
- Existing captive mines should be renewed if they have complied with the conditions of the lease and the life of the steel plant so warrants taking into account existing and planned capacities.
- Steel making capacities already in existence on July 1, 2006, which do not have captive mines, may also be given preferential allocation of adequate iron ore reserves within the State without the need to go through the process of auction, as a one-time measure to provide a level playing field.
- Scientific and vigorous prospecting in the country should be encouraged. LAPLs and PLs for magnetite may be freely given to both stand alone and captive miners whether Indian or **foreign**. **LAPLs** for hematite may be given only after strictly ensuring that GSI or another State agency has not already done the requisite exploration.
- Captive iron ore mines allotted to steel makers should use the ore from these mines for their own steel and should not sell the same either in India or abroad.

Expediting projects by SAIL

397. SHRIMATI S.G. INDIRA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Government had asked the SAIL to expedite projects;

(b) if so, the details thereof;

(c) whether it is also a fact that as of date projects involving an investment of around Rs. 17,300 crores are under various stages of implementation; and

(d) if so, the details thereof including the investment considered for Salem Steel Plant?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) Yes, Sir. Steel Authority of India Ltd.